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Approved For Release 2003/09/30 : CIA-RDP78-04914A000200050029-0

COPY

TO: Budget Officer
Thru: Deputy Executive
FROM: Assistant General Counsel

16 June 1949

CONF

Subject: Reimbursement to PBA for alterations and repairs to buildings.

1. Reference is made to your memorandum of 15 June 1949, subject as above.

2. There is no legal objection to the expenditure of \$113,000 for the work to be performed on the Recreation Hall in West Potomac Park. This is so in view of the fact that an administrative determination has been made that such work must be done to make the building suitable for CIA purposes. In view of the fact that in this instance there is a firm project and the necessary work orders will be forwarded prior to 1 July 1949, funds for Fiscal Year 1949 may be obligated for this work.

3. We have considered the proposals for Barton Hall, which were discussed with you at the meeting of 15 June, in the light of applicable laws and decisions. In our opinion the arrangements as presented in that meeting come under a statutory prohibition in view of the Decision of the Comptroller General in 22 CG 462. We have discussed this opinion with the Deputy Executive and the Services Officer, who are restudying the problem. We therefore withhold further comment unless new proposals are made which present legal problems.

4. Your memorandum raises the question as to the inadvisability of attempting to obligate current fiscal year funds for work which is to be performed during the next fiscal year, and with respect to which firm estimates and/or definite commitments cannot actually be made in this current fiscal year. In so far as this may apply to Building No. 11 on the old Naval Hospital grounds, in view of the statement of the Deputy Services Officer that an over-all firm estimate of the costs of the alterations necessary can be made by PBS prior to the close of the current fiscal year, it would be proper to obligate the necessary funds for this purpose out of the Fiscal Year 1949 funds, even though the final contracts may not be let until subsequent to 1 July 1949. However, if a firm project and estimates on which the expenditures of an over-all sum cannot be made prior to the close of this fiscal year, then it would not be possible to obligate the necessary amount out of Fiscal Year 1949 funds.

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L. Pforzheimer

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